

CARSON CITY BOARD OF SUPERVISORS
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A regularly scheduled meeting of the Carson City Board of Supervisors was held on Thursday, October 16, 2003, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 8:30 a.m.

PRESENT:	Ray Masayko	Mayor
	Pete Livermore	Supervisor, Ward 3
	Robin Williamson	Supervisor, Ward 1
	Shelly Aldean	Supervisor, Ward 2
	Richard S. Staub	Supervisor, Ward 4

STAFF PRESENT:	Linda Ritter	City Manager
	Alan Glover	Clerk-Recorder
	Louis Buckley	Fire Chief
	Mark Forsberg	Chief Deputy District Attorney
	Cheryl Adams	Deputy Purchasing Director
	Jack Freer	Sergeant
	Katherine McLaughlin	Recording Secretary
	(B.O.S. 10/16/03 Tape 1-0010)	

NOTE: Unless otherwise indicated, each item was introduced by staff's reading/outlining/clarifying the Board Action Request and/or supporting documentation. Staff members present for each Department are listed under that Department's heading. Any other individuals who spoke are listed immediately following the item heading. A tape recording of these proceedings is on file in the Clerk-Recorder's office. This tape is available for review and inspection during normal business hours.

ROLL CALL, INVOCATION, AND PLEDGE OF ALLEGIANCE - Mayor Masayko convened the meeting at 8:30 a.m. Roll call was taken. The entire Board was present, constituting a quorum. Youth Pastor Pat McConville of the Capital Christian Church gave the Invocation. Mayor Masayko lead the Pledge of Allegiance.

CITIZEN COMMENTS (1-0040) - Tom Keeton announced the Republican Women's Pancake Breakfast scheduled for Nevada Day and urged the public to attend. Mayor Masayko indicated that this is the last Board meeting in October. He also indicated for the record that the Board is wearing the freeway commemorative groundbreaking t-shirts. The attire was the Board's attempt to recognize the significance of the freeway and to illustrate its support for construction of the freeway and its completion. It was hoped that the freeway will be completed during the Board's lifetime. He thanked NDOT and Ames Construction for their recognition and gifts.

1. **APPROVAL OF MINUTES (1-0062)** - None.
2. **AGENDA MODIFICATIONS (2-0065)** - Mayor Masayko noted the special evening session on a Planned Unit Development issue.
3. **SPECIAL PRESENTATIONS (1-0069)**

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A. PROCLAMATION FOR “CARSON CITY APPRECIATION DAY”, OCTOBER 16, 2003 - Supervisor Williamson explained that the recognition is the fifth one held by the Board to recognize the volunteers who serve on the community’s 20 plus advisory committees. The luncheon will be at noon in the auditorium. Supervisor Williamson read the Proclamation into the record and moved to adopt the Proclamation. Supervisor Aldean seconded the motion. Motion carried 5-0. Mayor Masayko repeated the invitation for the volunteers to attend the luncheon at noon.

B. PRESENTATION OF LIFESAVING AWARD TO AMY AND HAYDN JENSEN (1-0106) - Fire Chief Louis Buckley described the circumstances surrounding the event and expressed his pleasure at being able to recognize Amy and Haydn Jensen’s heroic effort. Mayor Masayko commended them on their actions, read the plaque and presented the Lifesaving Award to them. Danny Dudley’s mother, Michelle Dudley, had asked that the Jensens be given recognition of their efforts. He also indicated that Haydn’s classmates and the Dudley family members were present. No formal action was required or taken.

4. BOARD OF SUPERVISORS - NON-ACTION ITEMS

A. INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS (1-0190) - Mayor Masayko again explained the Board’s purpose in wearing the freeway commemorative t-shirts and recognized former Supervisor Plank’s efforts to ensure that progress on the bypass occurred. Supervisor Aldean reported on her TRPA activities and meetings with: Supervisor Livermore and Health Director Daren Winkelman and Marsha McDonald on the creation of a public health entity; the Sheriff on a nuisance issue; Supervisor Staub and staff on corridor redevelopment plans and ordinances; an unnamed property owner on East College Parkway regarding access and development issues; the corridor work group on feedback from the Planning Commission; Development Services’ barbeque for its employees; the corridor work group; the quarterly NNDA meeting which retained the priority funding for widening Curry street; and yesterday’s freeway groundbreaking ceremony. Supervisor Williamson reported on the status of the Ormsby House’s permits and restoration; the WNDD meeting; and the Redevelopment Authority Citizens Committee meeting. She announced the Christmas activities scheduled for the downtown area, that the Second Annual Christmas Ornaments will go on sale on October 25, and the Ghost Walks’ October 25 commencement date. She also stressed the freeway’s importance to the City. Supervisor Staub explained his professional meetings that were held in Las Vegas and the cancellation of yesterday’s RTC meeting. He hoped that the freeway construction will continue until the entire facility is completed. He reported on the Airport Authority’s meeting including the need to remove its hills. Supervisor Livermore reported on his attendance at the NDOT informational workshop on the freeway’s phase 2 and stressed the importance of knowing that the freeway will proceed; a WNCC play; the Parks and Recreation Commission meeting; the Chamber of Commerce Manufacturers meeting; a meeting with Joe McCarthy and Energy Nevada regarding Sierra Pacific’s renewable energy proposal; the Carson-Tahoe Hospital meetings; the Ormsby House meeting; the Public Health Board meetings and indicated that the Board will have a presentation on the proposal on November 20; Health Smart’s meeting including the results of the Great American Weight Loss Program; and the Subconservancy meeting. He also indicated that NDOT has almost completed its work on Highway 50 Alternate. Mayor Masayko reported on the Nevada Commission to Restore the V&T Railway meeting; the Convention and Visitors Bureau meeting; the CASA spaghetti feast fundraiser; the Breast Cancer Awareness “Stroke for Hope” golf tournament and proclamation; the Friends of the Library Oktoberfest; Development Services’ employee recognition luncheon; the Chamber of Commerce Leadership class presentation; the City Day presentation; the “Lights on Afterschool Program” at Empire Elementary School; the Bordewich-Bray Elementary School’s

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Fifth Grade Class tour of City Hall; and the freeway groundbreaking ceremony. He noted that this is the last meeting before Nevada Day Weekend and wished the Nevada Day Committee success with its 109th anniversary celebration. He invited the other Board members to join him on the Wells Fargo stagecoach and thanked Wells Fargo for providing the stagecoach. He announced the V&T fundraiser to sell coins commemorating the train and indicated that the Convention and Visitors Bureau is accepting reservations for the coins struck on the first day. The coins will be available for the next six years. He emphasized United Blood Services' blood shortage and suggested that Departments conduct blood drives to support it. He announced Domestic Violence Awareness month.

B. STAFF COMMENTS AND STATUS REPORTS (1-0784) - Board comments supported and complimented Ms. Ritter on her weekly reports.

5. CONSENT AGENDA (1-0790)

5-1. PURCHASING AND CONTRACTS

A. ACTION TO APPROVE CONTRACT NO. 0304-046, A REQUEST FOR THE PURCHASE OF CRIMEVIEW 2002 APPLICATION WHICH INCLUDES SOFTWARE, PROFESSIONAL SERVICES, TRAINING FROM THE OMEGA GROUP FOR A NOT TO EXCEED COST OF \$29,869 EXEMPT FROM COMPETITIVE BIDDING

B. ACTION TO APPROVE CONTRACT NO. 0304-053, A REQUEST TO ENTER INTO A PRICE AGREEMENT WITH INSIGHT PUBLIC SECTOR, INC., THROUGH OCTOBER 14, 2004, FOR THE PURCHASE OF HARDWARE AND SOFTWARE WHICH IS EXEMPT FROM COMPETITIVE BIDDING PURSUANT TO NRS 332.115

5-2. DEVELOPMENT SERVICES - CONTRACTS - ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION AND AWARD THE GOVERNOR'S FIELD IRRIGATION SYSTEM REPLACEMENT PROJECT, CONTRACT #2003-031 TO (BIDDER NO. 1) CANYON CREEK CONSTRUCTION, P.O. BOX 21270, CARSON CITY, NV 89721 FOR A CONTRACT AMOUNT OF \$91,800 AND A CONTINGENCY AMOUNT OF \$8,199

5-3. ENVIRONMENTAL HEALTH - ACTION TO APPROVE A GRANT AWARD IN THE AMOUNT OF \$31,701 FROM THE NEVADA DEPT. OF HUMAN RESOURCES, HEALTH DIV., TO CONTINUE THE INITIAL PLANNING AND DEVELOPMENT OF THE PROTOCOL FOR ASSESSING COMMUNITY EXCELLENCE IN ENVIRONMENTAL HEALTH (PACE-EH)

5-4. INFORMATION SERVICES - GIS - ACTION TO RENAME INDUSTRIAL DRIVE TO VISTA GRANDE BOULEVARD

5-5. AIRPORT AUTHORITY

A. ACTION TO APPROVE THE FIFTH ADDENDUM TO THE AIRPORT LEASE BETWEEN THE CARSON CITY AIRPORT AUTHORITY AND SILVERFLITE, INC., INCREASING THE RENTAL AMOUNT AND EXTENDING THE TERM

B. ACTION TO APPROVE AN AIRPORT LICENSE AGREEMENT BETWEEN THE CARSON CITY AIRPORT AUTHORITY AND CARSON CITY SHERIFF'S AERO SQUADRON - Supervisor Livermore moved to approve the Consent Agenda as presented with seven items from five different functional areas. Supervisor Aldean seconded the motion. Motion carried 5-0.

6. TREASURER - Al Kramer

A. ACTION TO INTRODUCE ON SECOND READING BILL NO. 122 - AN ORDIN-

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ANCE AMENDING CARSON CITY MUNICIPAL CODE (CCMC) TITLE 4.28 ASSEMBLIES, AMENDING SECTION 4.28.030 (LICENSE APPLICATION - TIME - CONTENTS), AMENDING SECTION 4.28.030 (LICENSE APPLICATION - TIME - CONTENTS), AMENDING 4.28.050 (PROCESSING APPLICATION - HEARING - ISSUANCE OF LICENSE), AND OTHER MATTERS PROPERLY RELATED THERETO (1-0810) - Discussion indicated that the proposed revisions will make the permitting process for assemblages easier for the community and nonprofit organizations. Supervisor Livermore explained his support of the City's licensing process by describing the Lyon County business license process. He felt that the City's process better served the community. Mayor Masayko explained the City's ability to use either City or County procedures which is not available to other Counties. He felt that the City's process is more efficient. Supervisor Livermore moved to adopt on second reading Bill No. 122, Ordinance No. 2003-23, **AN ORDINANCE AMENDING CARSON CITY MUNICIPAL CODE TITLE 4.28 ASSEMBLIES, AMENDING SECTION 4.28.030 LICENSE APPLICATION - TIME - CONTENTS, AMENDING SECTION 4.28.030 (LICENSE APPLICATION - TIME - CONTENTS, AMENDING 4.28.050) PROCESSING APPLICATION - HEARING - ISSUANCE OF LICENSE, AND OTHER MATTERS PROPERLY RELATED THERETO.** Supervisor Williamson seconded the motion. Motion carried 5-0.

B. ACTION TO ADOPT A RESOLUTION TO SET THE DEFAULT FEES TO BE COLLECTED FOR PUBLIC ASSEMBLY LICENSES (1-0885) - Discussion explained the reasons for placing the fees in a resolution. The resolution's purpose is to provide the Treasurer with flexibility and not increase the fees. The Board's policy has been to waive the nonprofit application fee of \$25. It will no longer be necessary to ask the Board to waive this fee. The proposal will allow the Treasurer to grant permits for assemblages of less than 4,000 persons if the fee is paid. Requests for waivers will come to the Board. Mr. Kramer explained that the ordinance which had just been adopted established the fees of \$100, \$200, and \$300. The Board could set the fee for less than that amount but not more than it. If the Board wishes, these fees could be removed from the ordinance. Mayor Masayko suggested that the fee be zero for assemblages under 4,000. The fee for assemblages between 4,000 and 7,999 will be \$200 a day. Assemblages over 8,000 will be \$300 a day. The fee will be for both profit and nonprofit organizations. Discussion noted that the Park, Sheriff, and Health Departments' fees are still in effect and must be paid. Examples of small events having less than 4,000 people were provided. Public comments were solicited but none were given. Supervisor Livermore supported Mayor Masayko's suggested fees. Supervisor Williamson moved to adopt Resolution 2003-R-38, **A RESOLUTION TO SET THE DEFAULT FEES TO BE COLLECTED FOR PUBLIC ASSEMBLY LICENSES** at zero to 4,000 people at zero dollars, 4,000 to 8,000 people at \$200; and the fee for 8,000 people or more at \$300 per day. Supervisor Livermore seconded the motion. The motion was voted and carried 5-0.

7. SHERIFF - Ken Furlong - ACTION TO APPROVE THE SEEKING OF REIMBURSEMENT OF THE CARSON CITY GENERAL FUND FROM NON-INDIGENT PRISONERS FOR HOUSING SERVICES AND MEDICAL EXPENSES (1-1035) - Chief Deputy Rick Keema, Sgt. Kurt Davis, Chief Deputy District Attorney Mark Forsberg, Richard Kirkland, Del White, Tom Keeton, Treasurer Al Kramer Internal Auditor Steve Wolkomir - Justification was provided for assessing the fees from individuals who are not indigents. Other communities and the City's own Juvenile Facility currently have provisions assessing reimbursement of these fees. The fee will be assessed against any individual who has been convicted. It will not be assessed until the conviction occurs. Failure to pay the fees will not be used to rearrest the individual. Wages may be attached. A collection agency may be employed to obtain the

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payments. The City could write off those assessments it does not want to pursue. Deputy Chief Keema did not support chasing individuals who no longer reside in the area or have no means of making the payments. Mayor Masayko expressed his concerns about chasing after payments that costs more to collect than will be obtained from the individual. He acknowledged that some individuals will ignore the bills/ordinance and a more aggressive effort may be required for these individuals. He also requested assurances that the process will not require enhanced automation or additional personnel. Individuals who have the funds should pay for the costs. Indigents should not be forced to make the payments at a cost of food for their children. The point of diminishing return should be established to ensure that the program is beneficial.

Chief Deputy Keema agreed that the disclosure indicating they have received the jail rules and regulations should be included on the booking form and the financial statement. Supervisor Aldean felt that the program will send a philosophical message to those violators who knowingly break the law. It may not generate a lot of revenue but should be cost effective. Chief Deputy Keema indicated that if the program is not cost effective or does not work, it will be discontinued. A trial period will be required to determine the feasibility of the program. Mayor Masayko pointed out the difficulty encountered in tracking the success/cost benefit of the Treasurer's Collection Division. He requested that a report be provided informing the Board how effective the program is. He also pointed out that the staff report failed to include the success ratio in other communities. The staff report indicates that it is cost effective, however, does not indicate the billing percentages and outcome. Chief Deputy Keema acknowledged the need to not cross over the line with zealous enforcement for repayment. He was certain that the Treasurer's Debt Recovery Division could tell if the program is sensible. Mayor Masayko felt that the program should be tracked and a report provided to the Board. Chief Deputy Keema agreed.

Supervisor Livermore pointed out the lack of a business plan in the staff report. He needed the business plan in order to create the appropriate policy. His investigation of a Minnesota "For the Pay to Stay Program" he found on the internet was described. They are now attempting to rein in its collection expenses. He opposed having a program which is scraped in the future. Another county had assessed a "user fee" from the inmates. He felt that this program had been successful. His objection to having the collections turned over to a collection agency who garnishes employee's wages were voiced. Chief Keema explained that, as it is legal to assess the fee, the Department felt compelled to bring the concept to the Board for consideration. He indicated that he would not benefit from the program personally except as a resident and taxpayer of the City. The program will not benefit the detention center. If the Board desires, the fees can be written off instead of being sent to a collection agency. Supervisor Livermore indicated that he was impressed with the amount of effort undertaken to make the program accountable by using work furloughs and community service alternatives. These programs require staffing and supervision. He felt that there are hidden costs which had not been considered in the proposal. Chief Deputy Keema felt that the Sheriff's Office could perform the duties without an increase in staff, however, until a trial is conducted the impact is not known. Supervisor Livermore suggested that he discuss with the Fire Department its ambulance service collection problems. Mayor Masayko reiterated that the Board is not trying to be critical of the proposal. It supports the philosophical approach but is concerned about whether this is the right time to implement the program. Additional research is needed. It should not be necessary for the City to start from scratch to develop its program. There are lots of business models available that could be used as the pattern for the City's program. Chief Deputy Keema indicated that the fees had been set by using these models. It was felt that lower fees generate more funds. They hoped to learn from Washoe, Clark, and Lyon Counties mistakes. The City is unique in that it already has a Debt Collection Unit. They speculate that the program will be beneficial.

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Supervisor Staub also did not wish to spend more than is received. The program must be monitored with periodic reports the same as the Debt Collection Unit is. He understood Supervisor Livermore's disdain for garnishments, which he also disliked. Chief Deputy Keema indicated that the Judge will make a determination as to whether the individual is indigent and that the financial form will be similar to the one currently used by the Judges. Supervisor Staub indicated that the Public Defender's office has a reimbursement requirement for its clients. Chief Deputy Keema indicated that they had not discussed the program with his office. He also felt that the costs incurred with the program will be "soft costs". Supervisor Staub pointed out that the third delinquent notice includes a statement that a warrant will be issued. Chief Deputy Keema was not sure whether this was a mistake or its purpose. The forms were similar to those used by the Debt Recovery Unit. Sgt. Davis indicated that there is no intent to run a debtor's prison, however, if the bill is large enough and the individual has the ability to pay, the District Attorney's office may wish to pursue it. It will be used as an ultimatum. Supervisor Staub felt that the proposal will be like the collection of child support which the Feds support. He questioned whether it collects more than it costs. The proposal had similar problems. He was willing to conduct a trial but the program should not spend more than it collects. An option is to have the individual perform community services which would be beneficial to the community. Sgt. Davis indicated that this program is included. The Statutes allow for community service to be reimbursed at an \$8 an hour rate. The proposal provides a \$10 rate and will have Alternative Sentencing provide supervision. Supervisor Staub felt that this option should be included in the delinquency notices.

Supervisor Williamson applauded their initiative and attempt to generate revenue, however, was uncomfortable with the proposal. She supported the work release program, however, it does not have adequate staff to support the program. It currently does not pay for itself except through the use of soft dollars which are gained by not having the individual setting in jail. She preferred to advocate that program and its expansion rather than create a new program that has a fiscal impact on inmates. She questioned whether the program would be successful in its recovery efforts, the resources needed to track down the individuals once they are released, the true costs of the program, and the return that will be provided. It may prohibit individuals from having a fresh start.

(1-1700) Mr. Forsberg explained that the warrant provision in the third delinquent notice is the recourse provided in the Statutes for the collection of criminal fines. Warrants will not be issued for collection of fees assessed for room and board. Mayor Masayko pointed out that the fines include administrative fees, which he did not wish to discuss at this time.

Supervisor Aldean felt that a lot of research had been conducted. She supported implementation of a trial program with a caveat that if it does not make fiscal sense, it will be discontinued.

Supervisor Livermore expressed his concern about managing community services if a lot of individuals apply for it. He was also concerned about the potential for an individual to perjure themselves when completing the financial report. The program could become a mouse trap that closes on the individual. He commended them on their research and the concept but was not ready to commit to it without additional study.

Discussion between Supervisor Staub and Chief Deputy Keema indicated that the statistics showing the number of individuals who are arrested and later determined to be innocent had not been obtained. The individual will not be assessed the \$50 booking fee until after he/she is convicted. Chief Deputy Keema was willing to conduct a trial of the program, which would sunset in July, with monthly or quarterly status reports.

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He did not wish to implement a long term program which does not work but felt that it would require more than two or three months to obtain a fair study. Mayor Masayko felt that his suggestion may be acceptable provided the questions that have been asked are answered and a business model is developed.

Public comments were solicited. Mr. Kirkland complimented the Sheriff's Office on its willingness to explore the program. His brother had implemented the Washoe County program, which he felt was very successful. He urged the Sheriff's Office to consider whether the inmates have health insurance and medication coverage. He also pointed out the potential that some of the individuals may have funds which may have been obtained through drug sales. Mayor Masayko explained that these funds are subject to seizure. Mr. Kirkland urged the Board to consider the program and to expand it to include other items.

Mr. White felt that it would become an employer's nightmare. He urged the Board to find another way to collect the assessments rather than garnish wages. Alternative programs, such as community service, should be implemented. The additional cost of insurance for medical treatment while in jail could increase the employer's insurance premiums. He volunteered to work with the City and develop a program that would not be so onerous for the employers. Mayor Masayko pointed out the need for supervision for individuals participating in the work release program/community service program. Mr. White urged the Board not to make the collection of the assessments an employer problem.

Mr. Keeton indicated that he had philosophical problems with the concept. Assessing fees for being jailed could be considered adding insult to injury. There are costs incurred which the inmates should meet as a result of their crimes. The Sheriff's Office had done a good job with the starting plan. It is possible to adjust the program as needed. A clear definition allowing them to apply for community service should be included. The proposed \$10 per hour credit seemed fair. The program should begin somewhere even if it only collects five percent in the beginning. Everyone should be able to do community service or the work release program. They should not chase individuals who leave the area. Garnishments should be the last course of action or simply not enforced. The program will eliminate the belief that jail is a free ride. Mayor Masayko explained that the City does not currently have a work release program due to the lack of funding for staff. Community service is available.

Mr. Forsberg indicated that a garnishment cannot be given until after a lawsuit and judge's ruling. It would be an unusual occasion for the City to take it on for the proposed fees. Supervisor Livermore pointed out that collection agencies are very proficient at obtaining garnishments. As the employer, he must withhold the funds and pay it or he will be liable for the fees. Mr. Forsberg indicated that the law authorizes the District Attorney's office to pursue the fees civilly. It does not allow a collection agency to do it. Mayor Masayko pointed out that the ambulance fees are sent to a collection agency without checking with the District Attorney's office. The agency does garnishments. Mr. Forsberg explained that the Statutes create the debt and collection system for this program.

Mr. Kramer expressed a willingness to collect the assessments. He also indicated that his Division has never collected fines/fees by garnishment. They do work with and report to credit agencies. This impacts the individual's ability to obtain loans in the future. The Ambulance Service works with NCO who sends dun letters and credit reports. If the bill is not paid, it remains on the credit report. The Board may elect to remove bad debts from the City's books. Jail inmates often have fines which they must pay as a result of their conviction. The fines are disbursed in the following order: the Courts, the State, and then the City. The jail

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would be the last recipient. For this reason he would need time to show the ability to collect.

Public comments were solicited. Mr. Wolkomir volunteered to assist with the creation of the pro forma costs if the Board elects to approve the program. Additional public comments were solicited. None were given.

Supervisor Aldean acknowledged the pros and cons of the concept. She felt that incarcerated individuals need to be accountable for their actions at the same level as other individuals. **Supervisor Aldean moved to approve on a trial basis the seeking of reimbursement of the Carson City General Fund from non-indigent prisoners for housing services and medical expenses subject to a periodic report from the Sheriff's Department on the effectiveness of the program; fiscal impact is the charges per each prisoner will be as follows: \$25 per day with a \$50 book in/book out fee. Supervisor Staub seconded the motion.** Discussion between Supervisor Staub and Sheriff Furlong indicated the status reports to the Board should be included with the Internal Auditor's quarterly reports. **Supervisor Aldean amended her motion to include quarterly reports. Supervisor Staub concurred.** Mayor Masayko indicated that the trial period will remain in effect until brought back to the Board and removed. Supervisor Staub explained his belief that the program should be implemented as other jurisdictions in the area have it. He acknowledged Mr. White and Supervisor Livermore's concerns. The garnishment issue should be addressed in another forum—the Legislature who meets again in 18 months. Supervisor Livermore explained his intent to vote against the motion due to his belief that it is irresponsible of the Board to approve public policy by trial and error. There are adequate resources and professionals, such as Mr. Wolkomir, to develop a business model/plan. A trial without a limit or closure period will chase every quarter. He supported the idea of having people who have the resources pay the costs. The other unknown issues, such as the cost of providing the enforcement and collection program, need to be answered. He pointed to the amount of staff time already dedicated to the program to illustrate what he believed will be required to tweak the program in the future to make it work. It is a bad public policy to create policy by trials. Mayor Masayko indicated his support of Supervisor Livermore's position. He wanted to see more dialogue and comparative statistical information from the surrounding area as well as written procedures. A garnishment policy should be written. A written commitment assigning the Internal Auditor to providing quarterly reports should be provided. It is a bad policy to establish a \$50 or \$25 fee and then determine it is too high and change it. What happens to the individuals who paid the higher fees? He was also concerned about the book in/book out fee. He was willing to support a program which includes safe guards and recognition that there is no work release program for individuals to work off large assessments. He recommended staff spend an additional two to four week period addressing the issues and then bring back the item for additional discussion/action. Supervisor Aldean asked Sheriff Furlong if he wanted to withdraw the request without a vote being taken. She felt that the trial program had merit as they are operating in a vacuum. Carson City has not had the program before. Sheriff Furlong indicated the decision was up to the Board. They brought the program to the Board for consideration. The City has the authority to charge the fees and reimburse the General Fund. A lot of work has been done on the program since February. Some work on the program was done before then. The Department "turned on the program two weeks ago" and "it works". He felt that the inmates should not be allowed to obtain the best medical care in the City at the taxpayer's expense. The Department must take inmates to the doctor when requested. It is the Board's decision. When and if the Board wishes to implement the program, it should advise Sheriff Furlong to do so as the mechanism is already in place. Mayor Masayko agreed with his statements, however, objected to using a trial and error method to develop the program. **The motion to approve a trial period for reimbursement to the General Fund from nonindigent prisoners for housing and medical expenses was voted and failed on a 2-3 vote with Supervisors Aldean and Staub voting Aye**

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and Supervisors Williamson and Livermore and Mayor Masayko voting Naye. Mayor Masayko indicated that he supported the concept but needed a tighter program and a better definition with additional research. Supervisor Aldean encouraged the Department to tighten the program and return in two months. Mayor Masayko expressed the hope that the Department will not have to spend a great deal of time on the detailed report. Mr. Wolkomir had volunteered to assist. Ms. Ritter was directed to provide the additional resources needed for the administrative policy. The Board will discuss the policy and provide the resources as deemed appropriate at that time.

RECESS: A recess was declared at 10:46 a.m. The entire Board was present when Mayor Masayko reconvened the meeting at 10:58 a.m., constituting a quorum.

11. INTERNAL AUDITOR - ACTION TO APPROVE THE INTERNAL AUDIT REPORT OF MICROCOMPUTER RESOURCES (1-2582) (2-0607) - Mayor Masayko indicated for the record that the item could be heard this afternoon or may be heard at the next meeting depending on the time taken for the other items. (2-2180) Mayor Masayko deferred the item to the next meeting.

8. PURCHASING AND CONTRACTS - ACTION TO OPEN AND EXAMINE SEALED PROPOSALS AND RECEIVE ORAL PROPOSALS FOR THE LEASE OF A PORTION OF THE SILVER SADDLE RANCH LANDS FOR GRAZING PURPOSES AND AWARD THE HIGHEST PROPOSAL MADE BY A RESPONSIBLE BIDDER (1-2584) - Deputy Purchasing Director Cheryl Adams - One written bid was received. A intent to present oral bids was received from the same individual. Mayor Masayko opened and read into the record the bid from David Kaiser. (The original is in the file.) Ms. Adams indicated that his bid meets the minimal bid requirement of \$11.50 per AUM for grazing purposes and \$35 per ton for haying purposes. Last year's hay bid was \$48 per ton. The written bid was timely and proper. Public comments were solicited but none were given. Supervisor Williamson moved to authorize the Mayor to sign Lease Agreement No. 0304-012 with Mr. David Kaiser to lease a portion of the Silver Saddle Ranch lands under the ownership of the United States of America Bureau of Land Management through a cooperative land management agreement and special use permit granted to Carson City, Nevada, for grazing purposes. Supervisor Staub seconded the motion. Motion carried 5-0. Mayor Masayko thanked him for his bid and indicated that the revenue is used to offset water costs for hay and grazing. Mr. Kaiser thanked the Board for accepting his bid.

9. DEVELOPMENT SERVICES - City Engineer Larry Werner

A. ACTION TO RESCIND AMENDMENT NO. 1 TO HIGHWAY AGREEMENT NO. R257-96-010 BETWEEN CARSON CITY AND THE STATE OF NEVADA DEPT. OF TRANSPORTATION DATED JULY 17, 2003; AND B. ACTION TO APPROVE AMENDMENT NO. 1 TO HIGHWAY AGREEMENT NO. R2570-96-010 BETWEEN CARSON CITY AND THE STATE OF NEVADA DEPT. OF TRANSPORTATION REGARDING FUNDING FOR THE V&T BICYCLE/PEDESTRIAN PATH (1-2705) - NDOT's request that the amendment be revised and the original agreement rescinded was explained. The City has agreed to pay the difference. A contractor has been awarded the project. It is under construction at this time. Public comments were solicited but none were given. Supervisor Livermore moved to rescind Amendment No. 1 to Highway Agreement No. R257-96-010 between Carson City and the State of Nevada Dept. of Transportation, dated July 17, 2003. Supervisor Aldean seconded the motion. Motion carried 5-0.

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Supervisor Livermore moved to approve Amendment No. 1 to Highway Agreement No. R257-96-010 between Carson City and the State of Nevada Dept. Of Transportation regarding funding for the V&T Bicycle/Pedestrian Path with a fiscal impact of \$150,850 in addition to the \$50,000 approved in 1996. Supervisor Williamson seconded the motion. Motion carried 5-0.

C. ACTION TO ADOPT ON SECOND READING BILL NO. 123, AN ORDINANCE AMENDING TITLE 5 (PUBLIC UTILITY FRANCHISES AND REQUIREMENTS), CHAPTER 5.11 (LANDFILL RATES AND FEES), SECTION 5.11.010 (FEES AND RATES) BY INCREASING THE RATES FOR DISPOSAL OF DEAD ANIMALS AND TIRES AND CREATING A CATEGORY AND RATE FOR TRAILER UNITS OR MOBILE HOMES AND OTHER MATTERS PROPERLY RELATED THERETO (1-2820) - Changes to the ordinance had been made as directed by the Board at the first reading. It is not possible to weigh the larger items at the facility at this time. A larger scale will be installed when the facility is remodeled. Mayor Masayko briefly noted the email he had received on this topic. He also indicated for the record that he had not received any comments/concerns regarding the ordinance since the first reading. Supervisor Aldean moved to adopt on second reading Bill No. 123, Ordinance No. 2003-24, AN ORDINANCE AMENDING TITLE 5 PUBLIC UTILITY FRANCHISES AND REQUIREMENTS, CHAPTER 5.11 LANDFILL RATES AND FEES, SECTION 5.11.010 FEES AND RATES BY INCREAS-ING THE RATES FOR DISPOSAL OF DEAD ANIMALS AND TIRES AND CREATING A CATEGORY AND RATE FOR TRAILER UNITS OR MOBILE HOMES AND OTHER MATTERS PROPERLY RELATED THERETO, fiscal impact is partial cost recovery. Supervisor Livermore seconded the motion. Motion carried 5-0.

10. FINANCE - Acting Director Tom Minton

A. ACTION ON A MOTION FINDING THAT THE PROPOSED RESOLUTION RAISING BUSINESS LICENSE FEES PURSUANT TO TITLE 4 OF THE CARSON CITY MUNICIPAL CODE (CCMC) LICENSES AND BUSINESS REGULATIONS, CHAPTER 4.04 BUSINESS LICENSES, SECTION 4.04.015 ANNUAL FEE INCREASE DOES NOT IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN ON A BUSINESS OR DIRECTLY RESTRICT THE FORMATION, OPERATION OR EXPANSION OF A BUSINESS, THAT A BUSINESS IMPACT STATEMENT HAS BEEN PREPARED, ACCEPTED AND IS ON FILE WITH THE BOARD OF SUPERVISORS AND THAT THE REQUIREMENTS OF THE ACT HAVE BEEN MET (1-2885) - Discussion indicated the finding is that the increase does create an impact, however, is not significant. Mayor Masayko stated for the record that the Board finding that it does or does not create an impact does not preclude the Board from acting to increase the business license fees or not. It only changes the administrative procedures. Individuals who believe that the proposed increase does create a significant increase should put their comments on the record. This could change the finding. Staff's recommendation is that there is not a direct and significant economic burden on a business or that it directly restricts the formation, etc., etc. Public comments were solicited but none were given. Supervisor Williamson moved to find that the proposed resolution raising business license fees pursuant to Title 4 of the Carson City Municipal Code Licenses and Business Regulations, Chapter 4.04 Business Licenses, Section 4.04.015 Annual Fee Increase does not impose a direct and significant economic burden on a business or directly restrict the formation, operation or expansion of a business, and that a business impact statement has been prepared, accepted and is on file with the Board of Supervisors and that the requirements of the act have been met. Supervisor Livermore seconded the motion. Motion carried 5-0.

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B. ACTION TO ADOPT A RESOLUTION RAISING BUSINESS LICENSE FEES PURSUANT TO TITLE 4 OF THE CARSON CITY MUNICIPAL CODE (CCMC) LICENSES AND BUSINESS REGULATIONS, CHAPTER 4.04 BUSINESS LICENSES, SECTION 4.04.015 ANNUAL FEE INCREASE (1-2975) - Redco General Manager Del White, Carson Hi-Tech CEO Dave Best, Carson Hi-Tech Representative Wayne Meyers - Mayor Masayko stated for the record that a Code amendment allows the Board to increase up to or less than the CPI, which is two percent. The Board can also decide not to increase the fees. The last increase in the Business License fees occurred on January 1, 2001. The City's direct costs for collection and administration of the Business License Department has risen five percent. This is solely personnel costs. Last year \$780,000 was collected in Business License fees. The proposed increase totals \$16,000. Public comments were solicited.

Mr. White explained his belief that the State had implemented the largest increases in its fees and taxes last year. It is unfair to increase the fees during a recession as it harms their efforts to survive. He thanked Ms. Ritter for attending the Manufacturer's meeting and attempting to reduce the costs. His customers will not pay the increase but may purchase from China at a lower price. The firm is now importing items rather than hiring employees to make them. He urged the Board to help them as the increase is coming on top of increases to the alarm systems and the storm drain requirements. The increase may cost the City business and donations to the local nonprofit organizations. The fee is significant to the businesses. Mayor Masayko indicated that he understood Mr. White's view point.

Mr. Best explained his inability to pass the fee on to his customers. He had already lost several accounts for reasons which he described. They have cut everything possible to survive. The one to two percent will be a burden to them particularly in view of the other increases they had already experienced. They want to stay in the community and with Ms. Ritter's assistance may be able to find a way to do so, however, at this time they did not have the money to remain.

Mr. Meyers expressed his belief that the recession is not over. They had just cut their employee's payroll. Unemployment costs are up. Housing is the only element that is driving the economy upward. This is created by the dramatic decrease in interest rates. Businesses give to their employees when times are good. They do reductions when things are tight. He asked the Board to hold the line or reduce the fees. Additional comments were solicited but none were given.

Mayor Masayko indicated that during the last three years he had been a proponent of holding the line on business license fees even though an increase may have been justified. He pointed out that last year they could have raised the property taxes but chose to cut expenditures. The Legislature is not accountable to the Board but is accountable to the voters. He did not believe that large drainage fees are in the offing. He is sensitive to this issue and to Carson City's need to continue providing services. The Board does not like to layoff people or reduce its budget. The message also needs to be sent that the City's expenses are increasing and that there are additional requests for services. The retail businesses may be able to pass the costs on to their customers. The proposal adds \$5 a year to the fee for a business with 25,000 square feet of space and five cents per employee per year for businesses with more than 100 employees. He must balance the needs of the community against the needs of the businesses. The monies go to support the ambulance, Sheriff's Office, streets, highways, parks services, etc. which are excepted to be provided by the City for the community's health, welfare, and safety. He also pointed out that the City is one of a few political

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subdivisions in the State that had cut back its expenditures to avoid increasing its ad valorem taxes. If the sales tax does not materialize this year, he was willing to tell staff to make additional cuts. They are attempting to operate as much like a business as possible. The fees are charged to retailers as well as manufacturers. The fee must be consistent and equal for all. He was willing to reconsider the license fee structure for manufacturers. The nation is not out of the recession. He felt that Ms. Ritter was willing to taken on this concept. He also pointed out that during that the budget was cut this year and that business license increases had not occurred for three years. The community is not a "tax and spend" machine. He reiterated that the State's actions could not be controlled by the community.

Supervisor Livermore reminded the manufacturers that the statement in 2001 was that it was the wrong time and place to increase the fees. It is always difficult to tax and spend. A two percent fee increase was not an issue for drawing the line in the sand. The storm drainage program will create a significant impact. His support for reducing this impact was noted. He agreed with the Mayor's statement that services need to be evaluated. He found it difficult to understand the objection to a \$15 a year increase for a company with a payroll of \$1 million a year. The Board had always shown restraint when increasing taxes. He supported the two percent fee increase as it is appropriate at this time. There are bigger issues on which they should work together.

(2-0012) Mr. White clarified that it is not just the business license increase which should be considered but the entire package of increases. Mayor Masayko indicated the state was that the business license fee as well as the other fees should be analyzed. This is part of the public policy. The City's costs have also increased.

Supervisor Aldean acknowledged that there will be businesses who will be impacted by the fee increase. She also explained that this is not the best of times for the City. The two percent increase does not keep up with inflation but it is better than the five percent increase in administration costs experienced by the City. She recognized the competition and impacts of being a global community. She assured the manufacturers that the Board is cognizant of the possibility that new fees may be considered in the future but the Board is obligated to provide essential services for the community.

Supervisor Aldean moved to adopt Resolution No. 2003-R-39, a Resolution raising business license fees by two percent pursuant to Title 4 of the Carson City Municipal Code, CCMC, Licenses and Business Regulations, Chapter 4.04 Business Licenses, Section 4.04.015 Annual Fee Increase; fiscal impact is approximately \$16,000 in revenue annually. Supervisor Williamson seconded the motion. Mayor Masayko indicated that the resolution will increase business license fees by two percent across the board and is to be effective January 1, 2004. The motion was voted and carried 5-0. Mayor Masayko indicated for the record the need to look at the business license fee structure for manufacturers which should be done as quickly as possible.

C. ACTION TO ADOPT A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$45,000,000 PRINCIPAL AMOUNT OF CARSON CITY, NEVADA, HOSPITAL REVENUE BONDS (CARSON-TAHOE HOSPITAL PROJECT) SERIES 2003A TO FINANCE A PORTION OF THE COST OF A PROJECT FOR THE NONPROFIT CORPORATION CARSON-TAHOE HOSPITAL CONSISTING OF ITS CONSTRUCTION OF A NEW HEALTH AND CARE FACILITY INCLUDING EQUIPMENT THEREFOR AND SUPPLEMENTAL FACILITIES FOR A HEALTH AND CARE FACILITY; DELEGATING TO CITY OFFICIALS THE AUTHORITY TO EXECUTE

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AND DELIVER THE PURCHASE CONTRACT AND TO DETERMINE CERTAIN FINAL TERMS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF A LOAN AGREEMENT, AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, SUCH BONDS, AND CLOSING DOCUMENTS IN CONNECTION THEREWITH; RATIFYING ALL CONSISTENT ACTIONS THERETOFORE TAKEN TOWARD THE ISSUANCE AND SALE OF SUCH BONDS; AND MAKING DETERMINATIONS AS TO THE SUFFICIENCY OF REVENUES AND AS TO OTHER MATTERS RELATED TO SUCH PROJECT AND SUCH BONDS; AND D. ACTION TO ADOPT A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$50,000,000 PRINCIPAL AMOUNT OF CARSON CITY, NEVADA, HOSPITAL REVENUE BONDS (CARSON-TAHOE HOSPITAL PROJECT) SERIES 2003B TO FINANCE A PORTION OF THE COST OF A PROJECT FOR THE NONPROFIT CORPORATION CARSON-TAHOE HOSPITAL CONSISTING OF ITS CONSTRUCTION OF A NEW HEALTH AND CARE FACILITY, INCLUDING EQUIPMENT THEREFOR AND SUPPLEMENTAL FACILITIES FOR A HEALTH AND CARE FACILITY; DELEGATING TO CITY OFFICIALS THE AUTHORITY TO EXECUTE AND DELIVER THE PURCHASE CONTRACT AND TO DETERMINE CERTAIN FINAL TERMS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF A LOAN AGREEMENT, AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, SUCH BONDS, AND CLOSING DOCUMENTS IN CONNECTION THEREWITH; RATIFYING ALL CONSISTENT ACTIONS THERETOFORE TAKEN TOWARD THE ISSUANCE AND SALE OF SUCH BONDS; AND MAKING DETERMINATIONS AS TO THE SUFFICIENCY OF REVENUES AND AS TO OTHER MATTERS RELATED TO SUCH PROJECT AND SUCH BONDS (2-0095) -

City Bond Counselors Jennifer Stern and Bob Mitchell - Hospital CEO Ed Epperson was present. Ms. Stern introduced Mr. Mitchell. Mr. Mitchell briefly summarized the ordinances which had been adopted previously and lead to the resolutions. The resolutions provide the final forms of the transaction documents. The \$45 million bond is guaranteed and works like a mortgage. The U. S. Bank is the trustee for the bond holders and enforces payments on the fixed rate bond. The bond underwriting firm's financial rating is Double A, which is the second highest rating possible. This causes the bonds themselves to be rated Double A. If the Hospital fails to make the payment, Radiant will make the payment. The second bond is a variable rate demand bond for \$50 million. It is similar to floating rate mortgages. It has a letter of credit guarantee from a bank. The U.S. Bank's initial guarantee letter of credit has an expiration date of May 15, 2007. This bond is typically sold in \$100,000 denominations. The owner is typically an individual who buys mutual bonds funds. It is a typical investment for individuals who have tax exempt short term money. These bonds are very liquid and are repriced weekly with short term interest rates which have been under one percent lately. The Hospital is responsible for the bond payment as well as costs for the letter of credit. It gives the Hospital the ability to obtain low interest short term bond money. The three levels of security for this bond were limned. Discussion indicated that the \$50 million bond has a sinking fund redemption schedule with a fixed rate of five percent. The bonds amortization starts in 2007 and terminates in 2033. Mayor Masayko noted for the record that the City had retained John Bonow of Hobbs and Ong to provide the Board with information on the financing issues, risks, and intent of the law. The Board's desire to have the risk, conduit, and the Board's willingness to do it be as transparent as possible was noted. He also indicated for the record that he had not been contacted by anyone about the process. He felt it is reasonable expect, although not possible, to eliminate the credit risk to Carson City's name if the Hospital defaults. The Board had done everything possible to support the Hospital's expansion program while protecting the City. Supervisor Livermore disclosed that he receives a stipend as a Hospital Board Trustee. He does not have a financial interest in the Hospital. Supervisor Staub disclosed that he is a member of the Hospital Board of Finance, does not have

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a financial interest in the Hospital, and does not receive a stipend for his duties. Public comments were solicited but none were given. Supervisor Livermore moved to adopt Resolution No. 2003-R-40, A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$45,000,000 PRINCIPAL AMOUNT OF CARSON CITY, NEVADA, HOSPITAL REVENUE BONDS (CARSON-TAHOE HOSPITAL PROJECT) SERIES 2003A TO FINANCE A PORTION OF THE COST OF A PROJECT FOR THE NONPROFIT CORPORATION CARSON-TAHOE HOSPITAL CONSISTING OF ITS CONSTRUCTION OF A NEW HEALTH AND CARE FACILITY INCLUDING EQUIPMENT THEREFOR AND SUPPLEMENTAL FACILITIES FOR A HEALTH AND CARE FACILITY; DELEGATING TO CITY OFFICIALS THE AUTHORITY TO EXECUTE AND DELIVER THE PURCHASE CONTRACT AND TO DETERMINE CERTAIN FINAL TERMS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF A LOAN AGREEMENT, AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, SUCH BONDS, AND CLOSING DOCUMENTS IN CONNECTION THEREWITH; RATIFYING ALL CONSISTENT ACTIONS THERETOFORE TAKEN TOWARD THE ISSUANCE AND SALE OF SUCH BONDS; AND MAKING DETERMINATIONS AS TO THE SUFFICIENCY OF REVENUES AND AS TO OTHER MATTERS RELATED TO SUCH PROJECT AND SUCH BONDS and that the financial impact is subject to the final sale. Supervisor Staub seconded the motion. Motion carried 5-0.

Supervisor Livermore moved to adopt Resolution No. 2003-R-41, A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$50,000,000 PRINCIPAL AMOUNT OF CARSON CITY, NEVADA, HOSPITAL REVENUE BONDS (CARSON-TAHOE HOSPITAL PROJECT) SERIES 2003B TO FINANCE A PORTION OF THE COST OF A PROJECT FOR THE NONPROFIT CORPORATION CARSON-TAHOE HOSPITAL CONSISTING OF ITS CONSTRUCTION OF A NEW HEALTH AND CARE FACILITY, INCLUDING EQUIPMENT THEREFOR AND SUPPLEMENTAL FACILITIES FOR A HEALTH AND CARE FACILITY; DELEGATING TO CITY OFFICIALS THE AUTHORITY TO EXECUTE AND DELIVER THE PURCHASE CONTRACT AND TO DETERMINE CERTAIN FINAL TERMS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF A LOAN AGREEMENT, AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, SUCH BONDS, AND CLOSING DOCUMENTS IN CONNECTION THEREWITH; RATIFYING ALL CONSISTENT ACTIONS THERETOFORE TAKEN TOWARD THE ISSUANCE AND SALE OF SUCH BONDS; AND MAKING DETERMINATIONS AS TO THE SUFFICIENCY OF REVENUES AND AS TO OTHER MATTERS RELATED TO SUCH PROJECT AND SUCH BONDS with the fiscal impact of \$5,000,000 to \$6,500,000 Series A and B. Supervisor Staub seconded the motion. Discussion noted the fiscal impact is to the Hospital and not the City. It is part of the cost of the issuance and is on the record. Motion carried 5-0.

Mr. Epperson thanked the Board and its staff for their support. The construction project should commence soon. Mayor Masayko thanked him for his comments.

E. ACTION TO ADOPT BILL NO. 124 ON SECOND READING, AN ORDINANCE DESIGNATED BY THE SHORT TITLE "2003 SEWER BOND ORDINANCE"; PROVIDING FOR THE ISSUANCE BY CARSON CITY, NEVADA, OF ITS NEGOTIABLE, GENERAL OBLIGATION (LIMITED TAX) SEWER IMPROVEMENT AND REFUNDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2003; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE USE OF THEIR PROCEEDS AND PROVIDING FOR THE

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LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT OF THE BONDS; ADDITIONALLY SECURING THEIR PAYMENT BY A PLEDGE OF REVENUES DERIVED FROM THE SEWER SYSTEM OF THE CITY; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD THE ISSUANCE OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE HEREOF (2-0407) - Bond Counselor Jennifer Stern - Mayor Masayko indicated the next four items are for City Enterprise Funds. He had not received any comments on any of the items. Ms. Stern explained the bond amount is \$4 million plus an amount for refunding if the interest rates justify it. The bonds are being sold to the State bond bank. The same process is being used for the Water Bonds which may include \$1 million for refunding. Public comments were solicited but none were received. Supervisor Williamson moved to adopt Bill No. 124 on second reading, Ordinance No. 2003-25, AN ORDINANCE DESIGNATED BY THE SHORT TITLE "2003 SEWER BOND ORDINANCE"; PROVIDING FOR THE ISSUANCE BY CARSON CITY, NEVADA, OF ITS NEGOTIABLE, GENERAL OBLIGATION (LIMITED TAX) SEWER IMPROVEMENT AND REFUNDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2003; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE USE OF THEIR PROCEEDS AND PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT OF THE BONDS; ADDITIONALLY SECURING THEIR PAYMENT BY A PLEDGE OF REVENUES DERIVED FROM THE SEWER SYSTEM OF THE CITY; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD THE ISSUANCE OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE HEREOF, funding source is the Sewer Utility Revenue. Supervisor Livermore seconded the motion. Motion carried 5-0.

F. ACTION TO ADOPT BILL NO. 125 ON SECOND READING, AN ORDINANCE OF THE BOARD OF SUPERVISORS OF CARSON CITY, NEVADA, DESIGNATED BY THE SHORT TITLE "2003 WATER BOND ORDINANCE"; PROVIDING FOR THE ISSUANCE OF ITS REGISTERED, NEGOTIABLE, GENERAL OBLIGATION (LIMITED TAX) WATER IMPROVEMENT AND REFUNDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2003; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS AND COVENANTS RELATING TO THE PAYMENT OF SUCH BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT OF SUCH BONDS; ADDITIONALLY SECURING THEIR PAYMENT BY A PLEDGE OF REVENUES DERIVED FROM THE WATER SYSTEM OF THE CITY; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD THE ISSUANCE OF SUCH BONDS; AND PROVIDING OTHER MATTERS RELATING THERETO (2-0465) - Discussion noted the refunding of \$2 million in water bonds. Supervisor Aldean moved to adopt Bill No. 125 on second reading, Ordinance No. 2003-26, AN ORDINANCE OF THE BOARD OF SUPERVISORS OF CARSON CITY, NEVADA, DESIGNATED BY THE SHORT TITLE "2003 WATER BOND ORDINANCE"; PROVIDING FOR THE ISSUANCE OF ITS REGISTERED, NEGOTIABLE, GENERAL OBLIGATION (LIMITED TAX) WATER IMPROVEMENT AND REFUNDING BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2003; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS AND COVENANTS RELATING TO THE PAYMENT OF SUCH BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT OF SUCH BONDS; ADDITIONALLY SECURING THEIR PAYMENT BY A PLEDGE OF REVENUES DERIVED FROM THE WATER SYSTEM OF THE CITY; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD THE ISSUANCE OF SUCH BONDS; AND PROVIDING OTHER MATTERS RELATING THERETO; fiscal impact is subject to the final sale; and the funding source is the Water Utility Revenue.

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Supervisor Williamson seconded the motion. Motion carried 5-0.

G. ACTION TO ADOPT BILL NO. 126 ON SECOND READING, AN ORDINANCE DESIGNATED AS THE "2003 HIGHWAY REVENUE BOND ORDINANCE"; AUTHORIZING THE ISSUANCE BY CARSON CITY OF ITS FULLY REGISTERED, "CARSON CITY, NEVADA, HIGHWAY REVENUE (MOTOR VEHICLE FUEL TAX) IMPROVEMENT BONDS, SERIES 2003"; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE METHOD OF THEIR PAYMENT AND THE SECURITY THEREFORE, AND OTHER DETAILS IN CONNECTION THEREWITH; PROVIDING FOR THE PLEDGE OF THE PROCEEDS OF CERTAIN MOTOR VEHICLE FUEL TAXES; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING SUCH BONDS AND EFFECTING THE PURPOSE OF THEIR ISSUANCE; AND PROVIDING THE EFFECTIVE DATE HEREOF (2-0505) - Bond Counselor Jennifer Stern - Clarification indicated the bonds would be paid with revenue from the gas tax. Ms. Stern stated for the record that the bonds are secured with four cents of the Regional Transportation Commission funds. Changes made to accommodate the bond insurer were explained. A copy of the changes had been filed with the Clerk. The changes were purportedly insignificant. The bonds will be insured and are rated triple A. Public comments were solicited but none were given. Supervisor Aldean explained that the bonds will be used for RTC projects which includes the Roop Street widening, extension of Curry Street, and widening Fairview Street and other projects in its Transportation Improvement Program (TIP). Supervisor Staub moved to adopt Bill No. 126 on second reading, Ordinance No. 2003-27, **AN ORDINANCE DESIGNATED AS THE "2003 HIGHWAY REVENUE BOND ORDINANCE"; AUTHORIZING THE ISSUANCE BY CARSON CITY OF ITS FULLY REGISTERED, "CARSON CITY, NEVADA, HIGHWAY REVENUE (MOTOR VEHICLE FUEL TAX) IMPROVEMENT BONDS, SERIES 2003"; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE METHOD OF THEIR PAYMENT AND THE SECURITY THEREFORE, AND OTHER DETAILS IN CONNECTION THEREWITH; PROVIDING FOR THE PLEDGE OF THE PROCEEDS OF CERTAIN MOTOR VEHICLE FUEL TAXES; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING SUCH BONDS AND EFFECTING THE PURPOSE OF THEIR ISSUANCE; AND PROVIDING THE EFFECTIVE DATE HEREOF** and the funding source is the gas taxes. Supervisor Livermore seconded the motion. Motion carried 5-0.

H. ACTION TO ADOPT BILL NO. 127 ON SECOND READING, AN ORDINANCE DESIGNATED BY THE SHORT TITLE "2003 V&T BOND ORDINANCE"; AUTHORIZING THE ISSUANCE BY THE CITY OF ITS NEGOTIABLE "CARSON CITY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) V&T RECREATION BONDS (ADDITIONALLY SECURED BY GROSS PLEDGED REVENUES), SERIES 2003 FOR THE PURPOSE OF FINANCING THE COSTS OF THE V&T RAILROAD PROJECT; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS, AND OTHER DETAILS IN CONNECTION THEREWITH; PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT THEREOF; ADDITIONALLY SECURING THEIR PAYMENT BY A PLEDGE OF REVENUES DERIVED FROM THE OPERATION OF CERTAIN RECREATIONAL FACILITIES AND BY A PLEDGE OF CERTAIN LICENSE TAXES AND ROOM TAXES FIXED AND IMPOSED BY CARSON CITY; PROVIDING OTHER COVENANTS, AGREEMENTS AND OTHER DETAILS AND MAKING OTHER PROVISIONS CONCERNING THE BONDS, SUCH FACILITIES, THE GENERAL TAX PROCEEDS AND THE REVENUES PLEDGED FOR THE PAYMENT OF SUCH PROPOSED BONDS; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING THE

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PROPOSED BONDS; PROVIDING OTHER MATTERS RELATING THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF (2-0569) - Mayor Masayko passed the gavel to Mayor Pro-Tem Livermore. He then disclosed that he is the Elected Chair of the Commission to Restore the V&T Railroad. Mayor Masayko moved to adopt Bill No. 127 on second reading, Ordinance 2003-28, AN ORDINANCE DESIGNATED BY THE SHORT TITLE "2003 V&T BOND ORDINANCE"; AUTHORIZING THE ISSUANCE BY THE CITY OF ITS NEGOTIABLE "CARSON CITY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) V&T RECREATION BONDS (ADDITIONALLY SECURED BY GROSS PLEDGED REVENUES), SERIES 2003 FOR THE PURPOSE OF FINANCING THE COSTS OF THE V&T RAILROAD PROJECT; PROVIDING THE FORM, TERMS AND CONDITIONS OF THE BONDS, AND OTHER DETAILS IN CONNECTION THEREWITH; PROVIDING FOR THE LEVY AND COLLECTION OF ANNUAL GENERAL (AD VALOREM) TAXES FOR THE PAYMENT THEREOF; ADDITIONALLY SECURING THEIR PAYMENT BY A PLEDGE OF REVENUES DERIVED FROM THE OPERATION OF CERTAIN RECREATIONAL FACILITIES AND BY A PLEDGE OF CERTAIN LICENSE TAXES AND ROOM TAXES FIXED AND IMPOSED BY CARSON CITY; PROVIDING OTHER COVENANTS, AGREEMENTS AND OTHER DETAILS AND MAKING OTHER PROVISIONS CONCERNING THE BONDS, SUCH FACILITIES, THE GENERAL TAX PROCEEDS AND THE REVENUES PLEDGED FOR THE PAYMENT OF SUCH PROPOSED BONDS; RATIFYING ACTION PREVIOUSLY TAKEN TOWARD ISSUING THE PROPOSED BONDS; PROVIDING OTHER MATTERS RELATING THERETO; AND PROVIDING THE EFFECTIVE DATE HEREOF; and the financial impact is depending upon the rate that the bond is issued. Supervisor Aldean seconded the motion. Motion carried 5-0. Mayor Pro-Tem Livermore returned the gavel to Mayor Masayko.

RECESS: A lunch recess was declared at 12:05 p.m. During the recess the Board participated in the "Carson City Appreciation Day" held in the Community Center Gymnasium. This social event recognized the community volunteers who serve on various City Committees, Commissions, and Boards and/or provide assistance to the City staff on various projects. It was purely a social function. No formal action was taken by the Board during the function. (A tape of the luncheon was not made.) Mayor Masayko reconvened the Board meeting at 1:30 p.m. by thanking Supervisor Williamson and Molly's Catering for the luncheon. He felt it was appropriate to recognize the volunteers. (The entire Board was present, constituting a quorum.)

12. CITY MANAGER - Linda Ritter

A. ACTION TO APPOINT ONE MEMBER TO THE AIRPORT AUTHORITY TO FILL THE "PILOT" POSITION FOR A FOUR YEAR TERM ENDING OCTOBER 2007 (2-0670) - Chief Deputy District Attorney Mark Forsberg, Gary Handelin, Guy Williams - Supervisor Livermore explained his discussion with Charles Saulisberry, who requested reappointment to a full term on the Authority. He requested Mr. Saulisberry's application be included with the other applications. Mr. Forsberg explained his discussion with Authority Attorney Steve Tackes. Mr. Tackes felt that the City Charter did not provide the Board with the ability to reappoint an individual. The policy had been to give the individual appointed to fill out an unexpired term a four year term commencing with his/her appointment. Supervisor Livermore explained that the Minutes indicate Mr. Saulisberry's term expires in 2003. He did not believe that Mr. Saulisberry understood the consequences of this action. Mr. Forsberg indicated that it is unlawful for the Board to reappoint him at this time. Conversion or reappointment of Mr. Saulisberry is a gray area. Conversion would not conflict with the Charter, however, the term will not provide for staggered terms. The

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agenda does not prohibit the Board's conversion, however, the term will not terminate in 2007. Supervisor Livermore indicated that conversion provides Mr. Saulisberry with the remaining time needed to served a four year term. Mayor Masayko indicated that he did not have a copy of the Airport Authority bylaws with him. It typically indicates that Mr. Saulisberry must wait four years before serving another term. This maintains the staggered appointments. His reading of the Statutes indicated that Mr. Saulisberry's term was to fill the unexpired portion of someone else's term. Mr. Forsberg agreed that the terms are not spelled out as explicitly in the Statutes as it could be. It indicates the initial terms and then states that the appointees will serve four year terms. Four year appointments to fill mid-term vacancies will interfere with the staggering of terms. For this reason such appointees fill out the unexpired terms. Mr. Handelin explained that the original staggered terms were selected by flipping a coin. These appointees had to wait four years before seeking reappointment. Mayor Masayko indicated that this was his understanding of how the staggering was created. Supervisor Livermore felt that making an individual wait four years before being able to fill a full term would create a hardship finding individuals who are willing to serve partial terms. Mayor Masayko agreed that it is a quandary but felt that the Board should remain with the four year terms. He did not support conversion of the appointment to a four year term. Mr. Forsberg opined that the Board should maintain the terms as established even though there is an ambiguity in the law. Mayor Masayko suggested that Mr. Saulisberry was not eligible for reappointment. Both Messrs. Handelin and Williams are available and eligible for a four year appointment. Supervisor Aldean supported his suggestion and indicated that Mr. Saulisberry could apply in four years for a full four year term. She emphasized that she was not stating that Mr. Saulisberry is unqualified to be appointed. The process will avoid the potential of having his appointment challenged. Supervisor Livermore reiterated his belief that the policy will make it difficult to fill temporary appointments. A four year absence is burdensome. He felt that Mr. Saulisberry should not be required to wait four years before being reappointed. Appointments made by the Governor which ignore the "replacement" term were cited to illustrate that it is possible to make full term reappointments under these conditions. Supervisor Williamson disclosed that she knows Mr. Saulisberry personally. Supervisor Staub indicated that the Airport Authority had not discussed the issue. Supervisor Williamson expressed her reluctance to change the process. Supervisor Staub noted that it is the State law. Supervisor Williamson felt that the Airport Authority should discuss the issue and make a recommendation to the Board. Mayor Masayko indicated that this discussion could occur when they meet. This problem has arisen before. He did not believe that the Legislature would have a problem amending the City's Charter for this purpose. It cannot occur until 2005. Supervisor Staub indicated that Mr. Saulisberry was a "premium" Authority member who is actively involved. He has suggested safety and efficiency ideas. He had also attempted to address this issue with the Legislature without success. Supervisor Staub had also looked at the Statutes. The advice given by Mr. Forsberg was appropriate. The Minutes could verify the appointment period. Mr. Saulisberry should have been advised about the expiration date of October 2003. It is unfortunate to lose him but the Board had no other recourse at this time. Mayor Masayko felt that the Board had reached a consensus on the issue.

The Board interviewed (2-1072) Gary Handelin and (2-1364) Guy Williams. Mayor Masayko thanked each for applying. Supervisor Livermore moved that the Board appoint Gary Handelin to the Airport authority to fill the "Pilot" position for a four year term ending October 2007. Supervisor Williamson seconded the motion. Board comments thanked the applicants for applying, acknowledged the quality of the applicants, and explained reasons for supporting the motion including concerns regarding a potential conflict of interest for Mr. Williams. Supervisor Staub also expressed a desire to modify the qualification requirements for appointment to the Authority which may eliminate some of the conflicts and needs to recuse oneself from consideration of Authority items. He expressed his appreciation for Mr. Williams' investment in the airport

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as well as his desire to serve on the Authority. The motion to appoint Mr. Handelin was voted and carried 5-0. Mayor Masayko congratulated him on his appointment and thanked Mr. Williams for his interest.

B. ACTION TO SET DATE, TIME, AND LOCATION OF THE GOAL SETTING SESSION FOR THE BOARD OF SUPERVISORS (2-2055) - Board consensus selected November 4 in the Sierra Room from 9 a.m. to 12 noon. No formal action was taken.

14. COMMUNITY DEVELOPMENT - Director Walter Sullivan

D. ACTION REGARDING A REQUEST FROM DAVID P. AND GLORIA J. HARJES FOR ABANDONMENT OF PUBLIC RIGHT-OF-WAY, SPECIFICALLY A 33 FOOT WIDE ACCESS AND PUBLIC UTILITY EASEMENT OVER AND ACROSS THE NORTHERLY PORTION OF THE SUBJECT PARCEL FOR APN 9-134-03 LOCATED AT 3550 BIGELOW DRIVE INCLUDING AUTHORIZING THE MAYOR TO SIGN THE ORDER OF ABANDONMENT (FILE NO. AB-02/03-3) (2-2195) - David Harjes - Mayor Masayko explained that the location and that the property is being returned to the property owners at no fee. Mr. Sullivan explained that the property is part of the original government patent and is not within the downtown area. Mayor Masayko thanked them for attending the meeting. He apologized for the rigid Code mandating that the property be surveyed. The Board needs to consider revising the process when it is platted and the mapped and the abandonment is not being protested. He thanked them for following the rules even though it had cost them time and money to do so. Mr. Sullivan indicated that there may be other properties in the vicinity that have easements on them. They are being abandoned a few at a time. Supervisor Livermore encouraged the Planning Commission/staff to look at the remaining properties and eliminate the easement internally rather than require the property owners to do it. Mr. Sullivan agreed to check into the status of the easement. Mayor Masayko pointed out that the Harjes had pursued the abandonment for personal reasons. They should not be upset if the others receive their abandonments as a group. Mr. Harjes explained that the only parcel with an easement is the one to the west. Mayor Masayko thanked him for bringing the matter to the Board's attention. Mr. Sullivan was directed to complete the abandonment for that parcel. Supervisor Livermore moved that the Board of Supervisors approve AB-02/03-3, a request from David P. and Gloria J. Harjes for abandonment of public right-of-way, specifically 33 foot wide access and public utility easement over and across the northerly portion of the subject parcel for APN 009-134-03 located at 3550 Bigelow Drive including authorizing the Mayor to sign the Order of Abandonment. Supervisor Staub seconded the motion. Motion carried 5-0.

A. ACTION REGARDING A MASTER PLAN AMENDMENT TO CHANGE THE MASTER PLAN LAND USE DESIGNATION OF A PORTION OF APN 008-054-08 LOCATED AT 4550 NORTH CARSON STREET FROM HIGH DENSITY RESIDENTIAL/COMMERCIAL (HDR/C) TO COMMERCIAL ©) (FILE NO. MPA-03-115); AND B. ACTION TO INTRODUCE ON FIRST READING AN ORDINANCE EFFECTING A CHANGE OF LAND USE FROM SINGLE FAMILY ONE ACRE (SF1A) TO RETAIL COMMERCIAL (RC) ON A PORTION OF A PROPERTY LOCATED AT 4550 NORTH CARSON STREET, APN 008-054-08, AND OTHER MATTERS PROPERLY RELATED THERETO (FILE ZMA-03-114) (2-2365) - Mayor Masayko stated for the record that the staff report indicates the property owner is Betty Matthews, the applicant is the City staff, and that Ms. Matthews agrees with the change of land use. She owns a split zoned parcel. He commended staff on making the correction. Public comments were solicited but none were given. Supervisor Williamson moved to approve a Master Plan Amendment to change the Master Plan Land Use designation

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of a portion of APN 008-054-08 located at 4550 North Carson Street from High Density Residential/Commercial to Commercial based on findings contained in the staff report, File No. MPA-03-115. Supervisor Livermore seconded the motion. Motion carried 5-0.

Supervisor Aldean moved to introduce on first reading Bill No. 128, AN ORDINANCE EFFECTING A CHANGE OF LAND USE FROM SINGLE FAMILY ONE ACRE, SF1A, TO RETAIL COMMERCIAL, RC, ON A PORTION OF PROPERTY LOCATED AT 4550 NORTH CARSON STREET, APN 008-054-08, File No. ZMA-03-114. Supervisor Williamson seconded the motion. Motion carried 5-0.

C. ACTION TO INTRODUCE ON FIRST READING AN ORDINANCE EFFECTING A CHANGE OF LAND USE FROM PUBLIC COMMUNITY (PC) TO SINGLE FAMILY ONE ACRE (SF1A) ON APPROXIMATELY 6,323 SQUARE FEET OF LAND LOCATED AT THE SOUTHEAST 1/4 OF SECTION 12, CARSON CITY, NEVADA, APN 007-371-62, AND OTHER MATTERS PROPERLY RELATED THERETO (2-2490) - Mr. Sullivan's introduction included Homeowners Association President Gary Anderson's apology for not attending the meeting and that the Homeowners' Association had approved the change of land use. Discussion explained the need to rezone the property. Mr. Sullivan felt that the lot lines will eventually be removed and the 43,000 square feet required for an acre will be provided. The parcels will temporarily be legal nonconforming parcels. Parks and Recreation Director Steve Kastens and City Engineer Larry Werner had allegedly seen the proposal and had no problems with it. Board comments indicated that the Board did not want to have to repurchase the property in the future. Supervisor Aldean moved to introduce on first reading Bill No. 129, AN ORDINANCE EFFECTING A CHANGE OF LAND USE FROM PUBLIC COMMUNITY, PC, TO SINGLE FAMILY ONE ACRE, SF1A, ON PROPERTY LOCATED AT THE SOUTHEAST 1/4 OF SECTION 12, APN 007-371-62, based on the findings contained in the staff report, File No. ZMA-03-104. Supervisor Williamson seconded the motion. Motion carried 5-0.

RECESS: A recess was declared at 3:05 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 3:15 p.m., constituting a quorum.

E. PRESENTATION INTRODUCING THE "WALK THROUGH TIME IN CARSON CITY" HISTORIC MAPPING PROJECT IN THE DOWNTOWN AREA (2-2648) - Michael Drews - A lengthy discussion ensued among Mr. Drews, Mr. Sullivan, and the Board on the computerized mapping program and illustrations of how it works. Mr. Sullivan thanked Mr. Drews for the donation provided by Gnomon, Inc., for whom he works. Mr. Drews explained that the program had been a collaborative effort. Steve Tackes had donated the computer and monitor for the kiosk. Mr. Sullivan indicated that any computer could run the program. He suggested that one be placed at the library and at the City Hall. Individuals who had participated in developing the program were noted. Comments indicated that the program was a great way to learn about the original use of property in the downtown area and the changes which had occurred over the years. A sound track could be added to the program, if desired, in the future. The program could be expanded to include State websites. The Board thanked Mr. Drews for the program. Discussion indicated that the program could be marketed, if desired, as the City owns the rights to it. Mr. Sullivan thanked the Board for its financial support that allowed the program to be developed. The Board of Supervisors needed to be listed in the acknowledgements. Possible locations where the public could view it were discussed including the Convention and Visitors Bureau. The Board thanked Mr. Drews for the program. No formal action was taken or required.

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13. DISTRICT ATTORNEY - Chief Deputy District Attorney Mark Forsberg

A. CLOSED SESSION - ACTION TO RECESS INTO CLOSED SESSION PURSUANT TO NRS 241.015(2)(b)(2) TO MEET WITH ATTORNEYS TO DISCUSS SETTLEMENT OF THE LITIGATION BETWEEN FRANKLIN P. SAMMARTANO, STEVEN DOMINGUEZ, SCOT BANKS, PHILIP MUHILLY, GLENN GURR, CHARLES MCKENNA, RICHARD ECKHARDT, DENNIS OWEN, THOMAS DUNLAP, CRAIG MCCAULEY, STEVEN BILACH, RONALD JAMES, JOHN O'SULLIVAN, AND CARSON CITY, JUSTICE COURT OF CARSON CITY, NOEL WATERS, ROD BANISTER, ROBERT STUTSMAN, WILLIAM HICKIE AND JEFFREY SNYDER, UNITED STATES DISTRICT COURT CASE NO. CV-N-01-0247-PMP(RAM) (3-0078) - Supervisor Williamson moved to recess into closed session pursuant to NRS 241.015(2)(b)(2) to meet with attorneys to discuss settlement of litigation between Franklin P. Sammartano, Steven Dominguez, Scot Banks, Philip Muhilly, Glenn Gurr, Charles McKenna, Richard Eckhardt, Dennis Owen, Thomas Dunlap, Craig McCauley, Steven Bilach, Ronald James, John O'Sullivan, and Carson City, Justice Court of Carson City, Noel Waters, Rod Banister, Robert Stutsman, William Hickie and Jeffrey Snyder, United States District Court Case No. CV-N-01-0247-PMP(RAM). Supervisor Aldean seconded the motion. Motion carried 5-0. Mayor Masayko recessed the Open Session at 3:50 p.m.

B. OPEN SESSION - ACTION TO APPROVE A SETTLEMENT OFFER BETWEEN FRANKLIN P. SAMMARTANO, STEVEN DOMINGUEZ, SCOT BANKS, PHILIP MUHILLY, GLENN GURR, CHARLES MCKENNA, RICHARD ECKHARDT, DENNIS OWEN, THOMAS DUNLAP, CRAIG MCCAULEY, STEVEN BILACH, RONALD JAMES, JOHN O'SULLIVAN, AND CARSON CITY, JUSTICE COURT OF CARSON CITY, NOEL WATERS, ROD BANISTER, ROBERT STUTSMAN, WILLIAM HICKIE AND JEFFREY SNYDER, UNITED STATES DISTRICT COURT CASE NO. CV-N-01-0247-PMP(RAM) (3-0109) - Mayor Masayko reconvened the Open Session at 4:30 p.m. (The entire Board was present, constituting a quorum.) Discussion between Mayor Masayko and City Manager Ritter explained that the \$55,000 for the settlement will be taken from the Contingency Account as the Insurance Fund is inadequate. The Contingency Fund will need an augmentation to get through the fiscal year. Mayor Masayko noted with frankness that the City had lost the case as the Judge had ruled the Courthouse dress code to be unconstitutional and unenforceable. He also indicated the Board's concerns that the revised dress code be reasonable, constitutional, and enforceable. He explained that the City had defended the District Judges' employees and the State Attorney General's office defended the District Judges as they are State employees. If the City settles its portion of the lawsuit, the State may settle its portion although it is not required to do so. Additional comments were solicited but none were given. Supervisor Staub reluctantly moved to approve the settlement agreement between Franklin P. Sammartano, Steven Dominguez, Scot Banks, Philip Muhilly, Glenn Gurr, Charles McKenna, Richard Eckhardt, Dennis Owen, Thomas Dunlap, Craig McCauley, Steven Bilach, Ronald James, John O'Sullivan, and Carson City, Justice Court of Carson City, Noel Waters, Rod Banister, Robert Stutsman, William Hickie and Jeffrey Snyder, United States District Court Case No. CV-N-01-0247-PMP(RAM) which includes the payment of \$55,000 for damages, costs, and attorneys' fees, dismissal of criminal charges arising out of the case, return of plaintiffs' clothing, and an agreement not to object to the sealing of criminal records related to this case; the fiscal impact is \$55,000; and the funding source is the Insurance Fund Claims Payment Account 590-0745-415.05-13 plus the Contingency Fund. Mayor Masayko noted the need to replenish the Contingency Account. Supervisor Aldean reluctantly seconded the motion. Motion carried 5-0.

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RECESS: The next agenda item was scheduled for 6 p.m. Therefore, Mayor Masayko recessed the meeting at 4:41 p.m. The entire Board was present when Mayor Masayko reconvened the meeting at 6 p.m., constituting a quorum.

15. COMMUNITY DEVELOPMENT - Director Walter Sullivan

A. ACTION REGARDING A PLANNED UNIT DEVELOPMENT (PUD) REQUEST, INCLUDING A TENTATIVE SUBDIVISION MAP, A MASTER PLAN AMENDMENT TO CHANGE THE LAND USE DESIGNATION OF THE SUBJECT PROPERTY FROM INDUSTRIAL TO MEDIUM DENSITY RESIDENTIAL, AND A CHANGE OF LAND USE TO CHANGE THE ZONING OF THE SUBJECT PROPERTY FROM GENERAL INDUSTRIAL (GI) AND SINGLE FAMILY 21,000 (SF21) TO MULTI-FAMILY DUPLEX-PLANNED UNIT DEVELOPMENT (MFD-P) AND SINGLE FAMILY 12,000-PLANNED UNIT DEVELOPMENT (SF12-P); AND A REDUCTION IN THE REQUIRED PERIMETER SETBACK OF 20 FEET TO 15 FEET AND FIVE FEET, A REDUCTION IN THE REQUIRED REAR YARD SETBACKS OF 20 FEET FOR PORTIONS OF THE UNITS EXCEEDING 20 FEET IN HEIGHT TO 15 FEET, A REDUCTION IN THE REQUIRED FRONT YARD SETBACK OF 20 FEET TO 10 FEET FOR ONE UNIT, A REDUCTION IN STANDARD ROAD WIDTH FROM 50 FEET TO 38 FEET, AND A REDUCTION IN MINIMUM LOT SIZE OF 6,000 SQUARE FEET AND LOT WIDTH FOR DUPLEX LOTS, TO ALLOW THE DEVELOPMENT OF 34 DUPLEX PARCELS (68 UNITS) AND FIVE SINGLE FAMILY RESIDENTIAL PARCELS, LOCATED ON LEPIRE DRIVE, APNS 10-351-05, 08, 09, AND 91, AND 10-352-04, 05, AND 06; AND, B. ACTION TO INTRODUCE ON FIRST READING AN ORDINANCE EFFECTING A CHANGE OF LAND USE FROM GENERAL INDUSTRIAL (GI) AND SINGLE FAMILY 21,000 (SF21) TO MULTI-FAMILY DUPLEX-PLANNED UNIT DEVELOPMENT (MFD-P) AND SINGLE FAMILY 12,000-PLANNED UNIT DEVELOPMENT (S12-P) ON PROPERTY LOCATED ON LEPIRE DRIVE, APNS 010-351-05, 08, 09, AND 91, AND 010-352-04, 05, AND 06, AND OTHER MATTERS PROPERLY RELATED THERETO (3-0255) - Senior Planner Lee Plemel, Applicants Sheri and Mark Funk, Barbara Rainey, Anne Gerkin, Jeannie Davis, Redco General Manager Del White - Mayor Masayko explained the Board's policy to return items to the Planning Commission if new information is submitted to the Board that has not been considered by the Commission. Reasons for the policy were noted. The applicants, opponents and staff will make presentations. Testimony will be allowed from anyone who wishes to speak. A significant board packet had been provided to the Board, which the Mayor had read. The Board could approve the Commission's action, deny its action, or return it to the Commission. After the presentations are completed, limited rebuttals will be allowed.

During Mr. Plemel's introduction, Mayor Masayko requested the record reflect that the property is outlined on the site map in blue and green and includes six lots on the east side of Lepire Drive. The other properties are not being considered as part of the zone change. Mr. Plemel also verified with the Board that a memo dated 9/24 and addressed to the Board was included in the packet. (A copy is included in the Clerk's file.) Discussion also pointed out that the first motion attempted by the Commission had supported staff's recommendation with minor revisions including one regarding the driveway depth. Mayor Masayko reiterated that significant new information will return the item to the Commission. The Board's options were reiterated as being: uphold the Planning Commission's denial; approve the application with the amended conditions as indicated in the Planning Commission's records; refer the item back to the Planning Commission as there is new information; or overturn the Planning Commission's recommendation and

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approve the application without any amendments to staff's recommended conditions. Discussion indicated that the Funks own the property under a limited liability corporation. Discussion between the Board, Mr. Sullivan, and Mr. Plemel detailed the motions which the Commission had considered. The first motion was to deny the application. It had failed due to a lack of a second. The second motion was to approve the application with modifications to the conditions. It failed. As the Commissioners had provided justification for their votes, they felt it was unnecessary to attempt a third motion. Mayor Masayko explained his concern that the zone change would negatively impact the industrial zoned property adjacent to the project as it will require them to provide additional setbacks. Mr. Sullivan identified the parcels that will be impacted and explained the setback requirements for their development. Mr. Plemel indicated that the staff report had not discussed this issue, however, it is part of the Commission's record. Mr. Ceballos, one of the industrial property owners, had questioned the need for a masonry wall but had not expressed concerns about the additional setback requirement for development of his property. The wall is not required. It would not be considered as mitigation of the setback requirement. None of the industrial property owners had indicated a concern. Staff's reasons for wanting the open space to be centrally located were noted. Mr. Sullivan also explained that 60 notices had been mailed to the property owners. Few written comments on the application were received but an extensive amount of testimony was provided at the Commission meeting. The setbacks could be reduced if a variance is approved. A hardship would have to be proved for the variance. Staff's objection to the proposed green belt was based on its uncentered location and the impact to the adjacent residences. Discussion pointed out the location of the multi-family apartment district which is not contiguous to the site. Supervisor Staub pointed out the need to have sufficient findings to support a denial or override the Commission's recommendation. Supervisor Aldean pointed out the new setback requirements that will be placed on the General Industrial area if the application is approved. The Commission hearing had included this concern. The Commission's concerns with the findings were related to Findings 3, 4 and 5 which are compatibility and open space. The inability to make one finding is adequate to deny the application. The request to vary the setback on the northern boundary from 20 feet to 15 feet could negatively impact the adjacent neighbors. An approval could be based on the belief that it is in the public interest to grant the variance. Board comments expressed concern that reducing the applicant's setback will establish new setback requirements for the adjacent neighbors. Discussion then explained the location of Mr. Ceballos property and the use of his parcels. Residential Construction Tax (RCT) monies will not be used for development of the open space. The Commission had not discussed whether the open space could be used by the general public or would be restricted to the residents of the PUD. It is the City Parks Department's policy to be responsible for maintenance of open space developed with RCT funds. A PUD cannot be conditioned to require dedication of open space to the City. Ordinances on PUDs require an established amount of open space. The homeowners association must maintain it unless it is dedicated to the City. The property owners will belong to the homeowners association and will pay into a fund which will maintain the amenities. Mr. Sullivan also indicated that the CC&Rs can be enforced to require maintenance of the amenities. Mayor Masayko indicated that staff should make sure that their representations are upheld and that pressure should be applied to ensure compliance with the CC&Rs/commitments. Staff's belief that the industrial area in this location is marginal included the fact that it has been there for 25 years with limited development. Some of the uses in the developed portion should be located in a commercial zone. The zoning in the Lepire Drive area is fraught with friction zones, such as noise, pollution, traffic, etc. Staff supported the application as transitional land uses were provided for the adjacent north area and to the industrial areas. Commercial and office uses were felt to be a better zone for the area than the current GI uses. It allows health fitness gyms, dance halls, skating rink, etc. The proposal provides better uses for the area. Supervisor Staub pointed out that Mayors Park is not centrally located in its development. It is a detention basin. Mr. Sullivan pointed to Carriage Square to

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illustrate the centralized park concept. Silver Oaks also has a centralized park in addition to a lot of open space. He acknowledged that not all residential areas provide for a centralized park site. Staff felt that a centralized park site for the proposed development would provide maximum use by the residents. The PUD's proposed locations were limned. Failure to centralize the open space could be used to deny the project as it must meet or exceed City standards. Viable open space is need for the PUD due to the number of residential units that will be developed. The amount of open space offered complied with the 30 percent requirement, however, the majority of it cannot be seen by the residents. Previous Boards have indicated a need to have appropriately placed good viable open space specifically when 12 to 16 units are located on an acre. The Moffett property provides some open space, however, you cannot throw a frisbee or football there.

Mr. Forsberg expressed his belief that it is difficult to understand the Commission's actions. It is the applicant's responsibility to prove that his proposal meets the findings for approval. He suggested that the Board take each finding and determine if sufficient evidence supporting it has been provided. If the evidence is provided, the application should be approved. Mayor Masayko agreed with his suggestion as it is possible for two different commissions/boards to make conflicting decisions on an item. The Board was attempting to determine how the Commission had made its findings. He felt that the Commission had indicated that the setbacks were okay. The amount of open space and the locations were not adequate. Finding 5 is a catchall as the density is not desired by the neighborhood. The Board will hear the evidence and could find differently.

Supervisor Aldean pointed out that the purpose of a PUD is to provide an ability to be unique. Developers do not like to have staff design their projects. Open space is the unique part of the PUD experience. It is generally centrally located to facilitate its use. It is a focal point and integral part of the development. The open space provides an offset for the increased density that is not normally permitted. The development must make financial sense. She hoped that the discussion between the developer and staff continues so that a centralized location for the open space can be found. She agreed with the staff that the suggested development is better for the area than the current zoning. The residents should recognize the jeopardy in which the GI uses place them.

Supervisor Livermore referenced the September 24 revised impact statement from the School District. The density of 36 to 150 children indicated the need for an accessible recreation site.

Ms. Funk explained her experience developing "eye sores" into "diamonds". The proposed site could become a "diamond" for the City. They have experience and a good reputation. They go beyond the Code requirements. The duplex units are a compromise between the zoning, with which staff had agreed. A map illustrating the original concept was displayed. The present map was a compromise developed after discussion with the neighbors. Colored computer enhanced photo simulations were shown and described illustrating the plan. The front yards will be maintained by the homeowners association. They had agreed to place two single family residences against the west side of Lepire. The project will provide the City with more affordable housing as the homes will be in the \$160,000 range. The type of individuals interested in acquiring were limned. Mayor Masayko pointed out that the record indicates all of the units are to be three bedroom. Ms. Funk corrected the record to indicate that it will be a mixture of two and three bedroom units with one and two stories. She did not think that there will be four or five children living in a two bedroom unit. The project will be a buffer between the two current uses. She then explained that her experience in real estate sales indicates that the last units to be sold are the ones adjacent to open space/parks. Justification for the proposed open space location(s) was based on this experience. She also indicated that staff had failed to

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mention the need to centralize the open space until after they had purchased the property and developed two maps for it. She felt that they would not have purchased the property if they had known beforehand about the need to centralize the open space or, at the very least, the map would have been configured differently. The cost of the project is increased by using the two center lots for open space. They used a large lot which they felt will make a good park.

Mr. Sullivan indicated for the record his belief that part of the conceptual plan discussion with staff had included a centralized park. The Commission was given a memo by the staff on May 2 which he believed was handed to Ms. Funk prior to or at the conceptual plan discussion.

Discussion between Supervisor Livermore and Ms. Funk explained the proposal to buffer the industrial area with duplexes/triplexes. Supervisor Livermore explained how the residents had forced Signet to relocate. He questioned whether the proposal will create a buffer or provide more friction concerns. Ms. Funk indicated that the development will be fenced. Supervisor Livermore explained that the previous industrial operation was heavy stamping. The current operation is a plating shop. The manufacturers' concerns with location of residential uses adjacent to their areas were stressed. Ms. Funk explained the masonry wall that will run behind the funeral home. She felt that it will provide an adequate buffer for the residents. Mayor Masayko felt that a condition of approval would require disclosure to the residents about the industrial area. Supervisor Livermore explained that this had been unsuccessfully attempted by Signet.

Mr. Funk then described his previous investment in Carson City and their reason for taking on this property. He felt that the Commission hearing had indicated that the City is not user friendly and is anti-business. The neighbors want the property to remain undeveloped. He then explained his belief that the terminology in Condition 15 is poorly written as it requires them to develop a trail from their property to the elementary school. When they hiked the area they found that the Parks Department had already developed a trail from Hells Bells Road to the school. Discussion between Supervisor Williamson and Mr. Funk explained the Corbett Street property which the Funks had "cleaned up". Supervisor Williamson thanked them for improving the property. Ms. Funk then explained that the intent is to have 80 percent of the proposed project be owner occupied. The buyers will be individuals who want to down size or people who travel a lot and like the security of having close neighbors to watch over their homes when they are gone. Supervisor Williamson pointed out that the homes are located close to Empire Elementary School and Eagle Valley Middle School which could attract first time home owners. Mr. Funk agreed.

Ms. Rainey explained her experience, as a project manager in Carson City, indicates the proposed project has been successfully used as a buffer and that there is a need for this type of housing. Lending institutions will control the number of investor purchased units. The type of buyers who had purchased the units were limned. She indicated that four of the 36 units in Double Tree had been investor purchased and nonowner occupied. Since that time she believed that those units, when sold, became owner occupied. She also explained that between January and June the price of the average home in Carson City was \$194,000. It is now \$210,000. Public comments were then solicited.

(3-1948) Ms. Gerkin indicated that she represented all of the single family residents along Lepire. They object to the project. She felt that the surrounding uses made the property unique and uncomparable to other developments in the community. The buyers of the proposed PUD residences will not occupy them. They current residents are concerned about the impact the density will have on their single family 21,000 square

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foot lots. The project will make several of the General Industrial parcels unbuildable due to the 50 foot setback requirements and topography. The traffic impact to their rural streets was described. Sidewalks and landscaping are needed on both sides of the streets. The lack of guest parking was noted. She felt the proposed structures were unattractive. Her description of the trail used to reach the middle school indicated a need for a foot path and bridge. Although they wanted a project and had discussed suggested changes with the developer, the developer had not put single family residences on 6,000 square foot lots along Lepire Drive. The project will impact their quality of life. She urged the Board to maintain the present zoning. Discussion between Supervisor Aldean and Ms. Gerkin used a zoning map to explain the zoning designations. It was felt that the residents wanted single family zoning abutting their property. Duplexes could be placed further north and away from their property. They allegedly had no problems with the portions zoned General Industrial as they were purportedly aware of its zoning when they had acquired their properties. Supervisor Aldean pointed out that anticipated uses sometimes are different than actual uses. She also expressed her opinion that the proposed use is best for the property. Discussion between Mayor Masayko and Ms. Gerkin explained the locations where sidewalks are on only one side of the streets.

Mr. Plemel explained that the project and map had included sidewalks on only one side of the streets throughout the project; however, Condition 17, which he read into the record, requires sidewalks on both sides of the streets throughout the project. The Funks had agreed to the conditions which includes this requirement.

Discussion between Supervisor Staub and Ms. Gerkin indicated that she represents the 12 residents who live on Lepire Drive. The location of her residence was explained.

(3-2525) Ms. Davis expressed her belief that the City needs residences and industrial property. It is wrong to put residential property against industrial property as indicated by her description of her personal experience, which she described. She also pointed out that it is impossible to know the type of industrial use that will occur at a site. Discussion between Mayor Masayko and Ms. Davis explained that the setback requirements for a development will be those in the Code at the time of construction. A variance can be requested. Her property will not have a grandfathered condition allowing a different setback. Ms. Davis explained that the death of her husband and her health had prevented her from developing her parcel beyond a two story structure. She hoped to be able to continue its development in the near future. As she is surrounded by General Industrial uses, she felt that she should be allowed to develop without a change in the setbacks. She had not received a notice of the Planning Commission meeting but had attended the meeting. She had not testified at it. Mr. Sullivan explained that the notice had been returned as the City did not have the correct Post Office Box number. He asked her to contact him so that the records can be corrected.

Mr. White explained that the setbacks are an issue. He also acknowledged the problems encountered by Signet which he felt could have been avoided if residences had not been placed adjacent to it. He questioned the need to change the zoning to allow residences at the proposed site. The change will impact the value of the industrial property. He also expressed his belief that industry pays more for City services than it uses while residential uses pay less than they use. He urged the Board to deny the application due to his belief that the area will become another Signet. This is the wrong message to send to industries who are considering locating in Carson City. Additional public comments were solicited but none were given.

RECESS: A recess was declared at 8:10 p.m. The entire Board was present when Mayor Masayko

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reconvened the meeting at 8:15 p.m., constituting a quorum.

Mayor Masayko thanked the audience for its testimony. They had attempted to raise all of the issues. This is a tough area with poor zoning. He felt that something more creative could be done with the parcels and that the friction areas will continue to haunt the City. The current industrial uses are not appropriate for the area. He was unsure how they can be transitioned in the future. The proposed project is difficult and needs some changes in order to occur. He appreciated the Applicants' efforts and time making concessions. He apologized for any miscommunication with staff. He had not heard any new information. If the staff report is approved, the Applicant will be able to move forward under those conditions. He requested the record indicate his desire to see the character of the property change holistically and not piece mealed. This will shift the friction zone from one area to another. There is no way that the City can protect or overcome the industrial property from the increased setback requirement. He did not want to take the property rights away from those individuals. He also felt that the project could work but not at the proposed site due to this impact. He was not sure how thoroughly this point was discussed at the Commission meeting but it is a serious issue to him. He was unsure what could be done with the remaining General Industrial district. A transition is needed which is not the one that is proposed.

Discussion between Supervisor Aldean and Mr. Sullivan indicated that a special planning area would need to integrate the industrial parcels and comply with the setback requirements. This process will involve all of the property owners and address the property rights issues. It would provide a more comprehensive and better project for the area with a more acceptable land use pattern.

Mayor Masayko pointed out that a previous public board had drawn the diagonal line designating the Single Family and General Industrial zones. The current Board can only be accountable for what it does.

Discussion between Mr. Sullivan and Supervisor Livermore indicated that the Board could not split the 50 foot setback between the two zones. Supervisor Livermore had offered it in an attempt to find a compromise due to his concerns for Ms. Davis and the her ability to continue to develop her property. Discussion indicated that at some time the ownership will change and the value of the property will be impacted. A special planned area would allow participation by all of the property owners, however, the Funks do not own the entire area. Supervisor Livermore voiced his belief that in the future the area will become investment property with a majority of absent property owners. He also explained his belief that an adequate amount of open space had not been provided. Families with children will be residing in the area and will need the open space. The proposed location is improper. He suggested relocating the open space at the entrance to the PUD and/or at adding to the open space the area at "Cochise" (Cassidy) and Lepire Drive. He believed that the location and future density is such that the majority of the units will become rentals with absentee landlords. He hoped that the home owners' association and pride of ownership will maintain the quality of the project and avoid the problems found with the project to the north of the site. He also hoped that City staff will have the ability to enforce and maintain the project as represented.

Both Mayor Masayko and Supervisor Williamson felt that Mr. White's predictions may come true. Supervisor Williamson explained her inability to approve a project which will negatively impact adjacent property, its future property owners, as well as the neighbors. The need for General Industrial property was stressed. She also pointed out the property's proximity to the sewer plant. She did not see it as a marvelous location in which to raise children. She urged the Funks to focus on what it is and make it better. She also

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pointed out that the adjacent residents were willing to accept whatever General Industrial uses are developed. She also indicated that she did not want to hear from them when the property is developed General Industrial in the distant future. These uses will create noise and disturbances. She could not support a project which will create additional unhappiness and arguments.

Supervisor Staub explained his review of the packet. He felt that staff could support the project with the exception of the open space issue. This issue can be resolved, however, this is not the Board's charge this evening. He disclosed that he had met with Mr. Shaffer and had discussed the project. He had indicated that he would support the project so long as it does not adversely impact surrounding properties and the homeowners. He supported the staff's recommendations. The Planning Commission may be the right decision although it had used the wrong reasons. His support of private property rights was described. He had been prepared to overturn the Commission's decision until it was determined that there were adverse impacts to the General Industrial property owners. The 50 foot setbacks would be a taking of their property. Therefore, he could not support the project.

Mayor Masayko indicated that Supervisor Staub's concerns were similar to his. He did not know how to solve this problem. A special planning area could be the answer if the other property owners are willing to participate. The project could be approved if it was located in a different area. The land use change creates the impact. A Planned Unit Development provides flexibility and, as used at this site, may indicate there is a quirk in the Code.

Supervisor Aldean pointed out that the Applicant had spent a lot of money and energy on the plan. The special planning area would provide unique opportunities to address the inherent conflicts to the land use and zoning. She was confident that everyone in the area would benefit from cooperative planning as well as the City. Creative solutions to the land use conflicts is needed to benefit the land values and create assets for the community. She hoped that the parties will not give up but will consult with staff about the process to create a special planning area.

Mayor Masayko suggested that the Board uphold the Planning Commission's denial based on the finding that the proposed development adversely impacts the adjacent General Industrial property. Finding No. 2 could not be made and is adequate to uphold the denial. Mr. Forsberg agreed that the inability to make this finding is adequate for denial.

Supervisor Williamson moved to deny an ordinance effecting a change of land use from General Industrial, GI, and Single Family 21,000, SF21, to Multi-Family Duplex-Planned Unit Development, MFD-P, and Single Family 12,000-Planned Unit Development, SF12-P, on property located on Lepire Drive, APNs 010-351-05, 08, 09, and 91, and 010-352-04, 05, and 06, based on the finding that the proposed development will adversely impact the surrounding land by creating additional buffer zones and setbacks on GI. Supervisor Livermore seconded the motion. Mayor Masayko indicated that the motion would uphold the Planning Commission based on the finding that the proposed development will adversely effect surrounding properties. Additional comments were solicited but none were given. The motion was voted and carried 5-0.

There being no other matters for consideration, Supervisors Staub and Livermore moved to adjourn. Supervisors Williamson and Aldean seconded the motion. Motion carried 5-0. Mayor Masayko adjourned the meeting at 8:40 p.m.

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The Minutes of the October 16, 2003, Carson City Board of Supervisors meeting

ARE SO APPROVED ON February 5, 2004.

/s/
Ray Masayko, Mayor

ATTEST:

/s/
Alan Glover, Clerk-Recorder